

Article - Business Regulation

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§5–604.

- (a) A trustee appointed under this subtitle must be:
 - (1) a national banking association;
 - (2) a bank, as defined in the Maryland Uniform Fiduciaries Act;
 - (3) a savings bank insured by a unit of the federal government;
 - (4) a savings and loan association insured by a unit of the federal government; or
 - (5) a person who annually provides, with the trust report, the proof of a fidelity bond that meets the requirements of subsection (b) of this section from a recognized bonding institution authorized to do business in the State in an amount equal to the trust fund.
- (b) The fidelity bond provided under subsection (a)(5) of this section shall be:
 - (1) for the benefit of the trust account of the cemetery or its burial space owners or both;
 - (2) conditioned such that the applicant shall comply with all Maryland laws and regulations relating to trust accounts; and
 - (3) subject to the approval of the Director.
- (c) A trustee may not use any perpetual care trust funds required to be held in trust in accordance with this subtitle to:
 - (1) purchase an interest in any contract or agreement to which the registrant, permit holder, or any other person subject to the trust requirements of this subtitle, or any entity owned or under the control of a registrant, permit holder, or any other person subject to the trust requirements of this subtitle, or a spouse, child, parent, or sibling of a registrant or any other person subject to the trust requirements of this subtitle is a party; or
 - (2) make any loan or direct or indirect investment of any kind:

(i) to any registrant, permit holder, or any other person subject to the trust requirements of this subtitle or to any spouse, child, parent, or sibling of a registrant or any other person subject to the trust requirements of this subtitle;

(ii) to or in any entity or business operations owned or under the control of a registrant, permit holder, or any other person subject to the trust requirements of this subtitle, or a spouse, child, parent, or sibling of a registrant or any other person subject to the trust requirements of this subtitle;

(iii) on or in any real property of a cemetery, or the buildings or structures appurtenant to the property; or

(iv) in any permanent improvements of a cemetery or its facilities.

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